

**Amendment No. 29**

Assembly Amendment to Assembly Bill No. 61 (BDR 55-162)

**Proposed by:** Assembly Committee on Commerce and Labor

**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 61 (§§ 8, 11, 12).

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of *green bold underlining* is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) *orange double underlining* is deleted language in the original bill proposed to be retained in this amendment.

ALA/WLK



Date: 4/13/2017

A.B. No. 61—Revises provisions governing trust companies. (BDR 55-162)





ASSEMBLY BILL NO. 61—COMMITTEE  
ON COMMERCE AND LABOR

(ON BEHALF OF THE DIVISION OF FINANCIAL INSTITUTIONS  
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY)

PREFILED NOVEMBER 17, 2016

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing trust companies. (BDR 55-162)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to trust companies; authorizing certain foreign trust companies that are not subject to certain federal regulation to engage in the solicitation of trust company business or open a trust representative office in this State under certain circumstances without licensure upon the approval of the Commissioner of Financial Institutions; authorizing certain foreign trust companies that are subject to certain federal regulation to act as a fiduciary or solicit trust company business in Nevada under certain circumstances without licensure by the Commissioner; authorizing certain foreign trust companies that are subject to certain federal regulation to establish and maintain certain offices and engage in the business of a trust company in Nevada under certain circumstances without licensure upon the approval of the Commissioner; revising the qualifications for serving as a trustee of a spendthrift trust; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, the Commissioner of Financial Institutions is charged with regulating and licensing certain business entities that act as a trustee in Nevada. (Chapter 669 of NRS) Existing law authorizes a foreign trust company that does not maintain an office in Nevada to be appointed to act as a fiduciary by any court or by authority of any law of this State without being licensed as a trust company in Nevada if the home state of the foreign trust company allows trust companies licensed in Nevada to be appointed in the home state as a fiduciary on a reciprocal basis. (NRS 662.245)

**Section 8** of this bill authorizes a foreign independent trust company, which is defined in **section 5** of this bill as a trust company that is licensed under the laws of a state other than Nevada and is not subject to regulation, supervision and examination by certain federal regulators, to request approval from the Commissioner of Financial Institutions for authorization to solicit trust company business in Nevada without obtaining a license to

engage in that activity. **Section 8** provides a procedure for renewal of such authorization and prohibits a foreign independent trust company with such authorization from acting in any fiduciary capacities or otherwise engaging in any activity as a trust company for which a license is required. **Section 9** of this bill authorizes the Commissioner of Financial Institutions to require a foreign independent trust company with authorization to solicit trust company business in Nevada to maintain a surety bond and sets forth the requirements associated with the maintenance of a surety bond.

**Section 10** of this bill authorizes a foreign trust company, which is defined in **section 6** of this bill as a trust company licensed in a state other than Nevada and which is subject to regulation, supervision and examination on the state and federal levels, to act as a fiduciary and engage in solicitation of trust company business in Nevada if: (1) the foreign trust company is authorized by its home state to act as a fiduciary or engage in the solicitation of trust business; (2) the foreign trust company is a subsidiary of a bank, savings association, bank holding company or savings and loan holding company that is subject to certain federal regulation; and (3) certain entities that act as fiduciaries or are engaged in the solicitation of trust company business in Nevada are allowed to engage in those activities in the home state of the foreign trust company in a reciprocal manner. **Section 11** of this bill requires that such a foreign trust company is deemed to have appointed the Commissioner as its agent for service of process in actions or proceedings related to its activities in Nevada.

**Section 12** of this bill authorizes a foreign trust company, upon the approval of the Commissioner, to engage in the business of a trust company and establish and maintain one or more retail trust company offices in Nevada if the foreign trust company meets certain requirements, including whether the foreign trust company is authorized by its home state to conduct business as a trust company and whether the home state of the foreign trust company allows certain trust companies licensed in Nevada to engage in similar activities in the home state on a reciprocal basis.

Under existing law, to qualify as a trustee of a spendthrift trust in Nevada, a trust company is required to be organized under federal or state law and maintain an office in Nevada for the transaction of business. (NRS 166.015) **Section 16** of this bill ~~adds the qualification that all or part of the administration of the spendthrift trust occur at that office in Nevada, thereby disqualifying a foreign independent trust company that does not have an office in Nevada from serving as a trustee of a spendthrift trust in this State.~~ provides that a trust company does not include a foreign independent trust company authorized to engage in the solicitation of trust company business in this State pursuant to section 8.

Existing law authorizes the Commissioner of Financial Institutions to impose administrative fines for violations of the laws governing trust companies, and certain such violations are gross misdemeanors. (NRS 669.295, 669.300) These penalties apply to violations of **sections 3-12** of this bill.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 662.245 is hereby amended to read as follows:

662.245 1. ~~1. A trust company is hereby authorized to act as a trustee of a spendthrift trust in this State if it is organized under the laws of another state which allows trust corporations or trust companies licensed pursuant to chapter 669 of NRS to act as fiduciary in that state; and~~ **1. Except as otherwise provided in section 10 of this act, an organization that does not maintain an office in this State to conduct the business of a trust company may be appointed to act as fiduciary by any court or by authority of any law of this State if, in addition to any other requirements of law, the organization:**

(a) Associates as cofiduciary a bank authorized to do business in this State or a trust company licensed pursuant to chapter 669 of NRS; or

(b) Is a trust corporation or trust company which:

(1) Is organized under the laws of and has its principal place of business in another state which allows trust corporations or trust companies licensed pursuant to chapter 669 of NRS to act as fiduciary in that state;

(2) Is authorized by its charter to act as fiduciary; and

(3) Before the appointment as fiduciary, files with the Secretary of State a document, acknowledged before a notarial officer, which:

(I) Appoints the Secretary of State as its agent upon whom all process in any action or proceeding against it may be served;

(II) Contains its agreement that the appointment continues in force as long as any liability remains outstanding against it in this State, and that any process against it which is served on the Secretary of State is of the same legal validity as if served on it personally;

(III) Contains an address to which the Secretary of State may mail the process when received; and

(IV) Is accompanied by a fee of not more than \$20.

➤ A copy of the document required by this subparagraph, certified by the Secretary of State, is sufficient evidence of the appointment and agreement.

2. A court which has jurisdiction over the accounts of a fiduciary that is a trust corporation or trust company described in paragraph (b) of subsection 1 may require the fiduciary to provide a bond to ensure the performance of its duties as fiduciary, in the same manner and to the same extent as the court may require such a bond from a fiduciary that is a bank or trust company described in paragraph (a) of subsection 1.

3. Service of process authorized by subparagraph (3) of paragraph (b) of subsection 1 must be made by filing with the Secretary of State:

(a) Two copies of the legal process. The copies must include a specific citation to the provisions of this section. The Secretary of State may refuse to accept such service if the proper citation is not included in each copy.

(b) A fee of not more than \$20.

➤ The Secretary of State shall forthwith forward one copy of the legal process to the organization, by registered or certified mail prepaid to the address provided in the document filed pursuant to subparagraph (3) of paragraph (b) of subsection 1.

4. The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section.

5. As used in this section:

(a) "Fiduciary" means an executor, commissioner, guardian of minors or estates, receiver, depository or trustee.

(b) "Notarial officer" has the meaning ascribed to it in NRS 240.005.

(c) "State" means any state or territory of the United States or the District of Columbia.

**Sec. 2.** Chapter 669 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 12, inclusive, of this act.

**Sec. 3.** *As used in sections 3 to 12, inclusive, of this act unless the context otherwise requires, the words and terms defined in sections 4 to 7, inclusive, of this act have the meanings ascribed to them in those sections.*

**Sec. 4.** *"Federal banking regulator" means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency or the Federal Deposit Insurance Corporation.*

**Sec. 5.** *"Foreign independent trust company" means a trust company licensed under the laws of a state other than Nevada and not subject to regulation, supervision and examination by a federal banking regulator.*

**Sec. 6.** *"Foreign trust company" means a trust company licensed under the laws of a state other than Nevada and subject to regulation, supervision and examination by a state banking regulator and at least one federal banking regulator.*

1        **Sec. 7.** *“Home state” means the state in which a foreign independent trust*  
2 *company or foreign trust company is licensed or chartered and maintains its*  
3 *principal place of business.*

4        **Sec. 8.** 1. *If a foreign independent trust company seeks to engage only in*  
5 *the solicitation of trust company business in this State, regardless of whether the*  
6 *foreign independent trust company has a physical location in this State, the*  
7 *foreign independent trust company must submit to the Commissioner a written*  
8 *request on a form prescribed by the Commissioner for authorization to solicit*  
9 *trust company business in this State. The written request must be accompanied*  
10 *by:*

11        (a) *A nonrefundable fee of \$1,000.*

12        (b) *Evidence that the foreign independent trust company is qualified to do*  
13 *business as a foreign corporation or foreign limited-liability company pursuant to*  
14 *chapter 80 or 86 of NRS, as applicable.*

15        (c) *The designation of a registered agent who resides or is located in this*  
16 *State to receive service of legal process relating to activities conducted by the*  
17 *foreign independent trust company in this State.*

18        (d) *If the foreign independent trust company proposes to have a trust*  
19 *representative office in this State:*

20            (1) *The address of the trust representative office;*

21            (2) *The names of all persons who will be representing the foreign*  
22 *independent trust company at the trust representative office; and*

23            (3) *Evidence of compliance with all applicable requirements for state and*  
24 *local business registrations and licenses.*

25        (e) *Confirmation that the foreign independent trust company is authorized to*  
26 *conduct business as a trust company in its home state.*

27        (f) *Confirmation by the applicable regulatory authority in the home state of*  
28 *the foreign independent trust company that the license or charter of the foreign*  
29 *independent trust company is in good standing.*

30        (g) *Evidence that the foreign independent trust company has a policy of*  
31 *insurance covering liability for errors and omissions relating to any activity by*  
32 *the foreign independent trust company involving residents of this State.*

33        (h) *Evidence of compliance with section 9 of this act, if the Commissioner*  
34 *requires a foreign independent trust company to maintain a surety bond.*

35        (i) *Confirmation that the laws of the home state of the foreign independent*  
36 *trust company authorize a trust company licensed pursuant to the laws of this*  
37 *State to conduct business in the home state of the foreign independent trust*  
38 *company on substantially the same basis.*

39        (j) *Confirmation that the home state regulator subscribes to and is a*  
40 *signatory of the Nationwide Cooperative Agreement for Supervision and*  
41 *Examination of Multi-State Trust Institutions as adopted by the Conference of*  
42 *State Bank Supervisors.*

43        2. *The Commissioner may deny the approval of a foreign independent trust*  
44 *company to engage in the solicitation of trust company business or have a trust*  
45 *representative office in this State if the Commissioner, in acting on the written*  
46 *request submitted pursuant to subsection 1 after consultation with the home state*  
47 *regulator, finds:*

48            (a) *That the foreign independent trust company lacks sufficient financial*  
49 *resources to undertake the proposed solicitation or expansion without adversely*  
50 *affecting its safety or soundness; or*

51            (b) *That such approval would be contrary to the public interest.*

52        3. *If the Commissioner approves a written request for authorization to*  
53 *solicit trust company business submitted pursuant to subsection 1, the foreign*

1 *independent trust company must renew the request annually on a date and form*  
2 *prescribed by the Commissioner to continue such authorization. The written*  
3 *request for renewal must be accompanied by:*

4 *(a) A nonrefundable renewal fee of \$500; and*

5 *(b) Confirmation that the information previously provided pursuant to*  
6 *paragraphs (b) to (j), inclusive, of subsection 1 remains accurate. If any such*  
7 *information has changed, the foreign independent trust company must provide*  
8 *updated information.*

9 *4. If the Commissioner approves a written request for authorization to*  
10 *solicit trust company business submitted pursuant to subsection 1, the foreign*  
11 *independent trust company:*

12 *(a) Except as otherwise provided in paragraph (b), may solicit trust company*  
13 *business in this State and contact existing or prospective customers.*

14 *(b) Shall not:*

15 *(1) Accept a fiduciary appointment;*

16 *(2) Execute a document that creates a fiduciary relationship;*

17 *(3) Make decisions regarding the investment or distribution of fiduciary*  
18 *assets; or*

19 *(4) Otherwise engage in any activity for which a license is required*  
20 *pursuant to this chapter.*

21 *5. The Commissioner may:*

22 *(a) Rely on the applicable regulatory authority of the home state of a foreign*  
23 *independent trust company to examine and investigate activity conducted by the*  
24 *foreign independent trust company;*

25 *(b) Investigate any trust representative office established and maintained in*  
26 *this State by a foreign independent trust company as the Commissioner may deem*  
27 *necessary to determine if the trust representative office is being operated in*  
28 *compliance with the applicable laws of this State and in accordance with safe and*  
29 *sound business practices; and*

30 *(c) Require periodic reports regarding the operations of any foreign*  
31 *independent trust company that has been approved under this section.*

32 *6. All money received by the Commissioner:*

33 *(a) From the payment of fees pursuant to paragraph (a) of subsection 1 must*  
34 *be placed in the Investigative Account for Financial Institutions created by NRS*  
35 *232.545; and*

36 *(b) From the payment of renewal fees pursuant to paragraph (a) of*  
37 *subsection 3 must be deposited in the State Treasury pursuant to the provisions of*  
38 *NRS 658.091.*

39 *7. As used in this section, "trust representative office" means a place of*  
40 *business in this State from which a foreign independent trust company may*  
41 *solicit trust company business and contact existing or prospective customers.*

42 **Sec. 9.** *1. As a condition to engaging in the solicitation of trust company*  
43 *business in this State pursuant to section 8 of this act, the Commissioner may*  
44 *require a foreign independent trust company to maintain a surety bond payable to*  
45 *the Division of Financial Institutions in an amount not less than \$100,000, plus*  
46 *any additional amount determined by the Commissioner to be appropriate for the*  
47 *size, complexity and inherent risk of the foreign independent trust company.*

48 *2. A surety bond required pursuant to subsection 1 is for the exclusive use*  
49 *and benefit of the Division and any customer receiving the services of the foreign*  
50 *independent trust company.*

51 *3. Each surety bond must:*

52 *(a) Be in a form satisfactory to the Commissioner;*

1 (b) Be issued by a bonding company authorized to do business in this State;  
2 and

3 (c) Secure the faithful performance of the obligations of the foreign  
4 independent trust company respecting the services provided to residents of this  
5 State.

6 4. A foreign independent trust company shall, within 10 days after the  
7 commencement of any action or notice of entry of any judgment against the  
8 foreign independent trust company by any creditor or claimant arising out of  
9 business regulated by section 8 of this act, give notice thereof to the  
10 Commissioner by certified mail with details sufficient to identify the action or  
11 judgment. The surety that executed the bond of the foreign independent trust  
12 company shall, within 10 days after it pays any claim or judgment to a creditor or  
13 claimant, give notice thereof to the Commissioner by certified mail with details  
14 sufficient to identify the creditor or claimant and the claim or judgment so paid.

15 5. Whenever the principal sum of the surety bond is reduced by payments  
16 thereon less any recoveries, the foreign independent trust company shall furnish:

17 (a) A new or additional surety bond so that the total or aggregate principal  
18 sum of the bonds equals the sum required pursuant to this section; or

19 (b) An endorsement, duly executed by the surety reinstating the bond to the  
20 required principal sum.

21 6. The liability of the surety on a bond to the Division for a creditor or  
22 claimant of the foreign independent trust company is not affected by:

23 (a) Any misrepresentation, breach of warranty, failure to pay a premium or  
24 other act or omission of the foreign independent trust company; or

25 (b) Any insolvency or bankruptcy of the foreign independent trust company.

26 7. The liability of the surety continues as to all transactions entered into in  
27 good faith by the creditors and claimants with the agents of the foreign  
28 independent trust company within 30 days after:

29 (a) The withdrawal from this State of the foreign independent trust company  
30 or the dissolution or liquidation of the foreign independent trust company; or

31 (b) The termination of the bond,

32 ↪ whichever occurs first.

33 8. A foreign independent trust company or its surety shall not cancel or  
34 alter a bond except after providing notice to the Commissioner by certified mail.  
35 The cancellation or alteration must not become effective until 10 days after  
36 receipt of the notice by the Commissioner. A cancellation or alteration does not  
37 affect any liability incurred or accrued on the bond from inception of the surety  
38 bond to the expiration of the 30-day period designated in subsection 7.

39 **Sec. 10. 1. In addition to the authority provided in ~~subsection 3 and~~**  
40 **NRS 662.245 ~~and~~ and section 12 of this act, a foreign trust company may act as a**  
41 **fiduciary in this State, whether the appointment is by will, deed, court order or**  
42 **otherwise, without complying with the laws of this State relating to the**  
43 **qualification of corporations or limited-liability companies organized under the**  
44 **laws of this State to conduct trust company business or laws relating to the**  
45 **qualification of foreign corporations or foreign limited-liability companies if:**

46 (a) The foreign trust company is authorized by the laws of the state of its  
47 organization or domicile to act as a fiduciary in that state;

48 (b) The foreign trust company is a subsidiary of a bank, savings association,  
49 bank holding company or savings and loan holding company subject to the  
50 supervision of a federal banking regulator; and

51 (c) A trust company organized under the laws of this State, a national  
52 banking association having its main office in this State and a federal savings and  
53 loan association or federal savings bank having its main office in this State and



1 authorized to act as a fiduciary in this State may, in such other state, act in a  
2 similar fiduciary capacity or capacities, as applicable, upon conditions and  
3 qualifications which the Commissioner finds are not unduly restrictive compared  
4 to those imposed by the laws of this State.

5 2. In addition to the authority provided in section 8 of this act, a foreign  
6 trust company may engage in the solicitation of trust company business in this  
7 State, regardless of whether the foreign trust company has a physical location in  
8 this State, without complying with the laws of this State relating to the  
9 qualification of corporations or limited-liability companies organized under the  
10 laws of this State to conduct trust company business or laws relating to the  
11 qualification of foreign corporations or foreign limited-liability companies if:

12 (a) The foreign trust company is authorized by the laws of the state of its  
13 organization or domicile to solicit trust company business in that state;

14 (b) The foreign trust company is a subsidiary of a bank, savings association,  
15 bank holding company or savings and loan holding company subject to the  
16 supervision of a federal banking regulator; and

17 (c) A trust company organized under the laws of this State, a national  
18 banking association having its main office in this State and a federal savings and  
19 loan association or federal savings bank having its main office in this State and  
20 authorized to engage in the solicitation of trust company business in this State  
21 may, in such other state, similarly engage in the solicitation of trust company  
22 business upon conditions and qualifications which the Commissioner finds are  
23 not unduly restrictive compared to those imposed by the laws of this State.

24 Sec. 11. 1. A foreign trust company acting in this State in a fiduciary  
25 capacity or engaging in this State in the solicitation of trust company business  
26 pursuant to section 10 of this act shall be deemed to have appointed the  
27 Commissioner as the agent of the foreign trust company for service of process in  
28 any action or proceeding against the foreign trust company that relates to or  
29 arises out of any matter in which the foreign trust company has:

30 (a) Acted or is acting in this State in a fiduciary capacity; or

31 (b) Engaged or is engaging in this State in solicitation of trust company  
32 business.

33 2. The commission of or engagement in this State in any act described in  
34 paragraph (a) or (b) of subsection 1 by a foreign trust company is deemed to  
35 signify the agreement of the foreign trust company that any legal process served  
36 upon the Commissioner pursuant to subsection 1 is of the same legal force and  
37 validity as if the legal process were served directly upon the foreign trust  
38 company.

39 3. Service of legal process pursuant to subsection 1 must be made by  
40 delivering to the Commissioner a copy of the legal process and paying the fee for  
41 service of process prescribed by the Commissioner. Such service shall be  
42 sufficient service of process upon a foreign trust company if:

43 (a) Notice of such service and a copy of the process are, within 10 days after  
44 delivery to the Commissioner, sent by certified mail by the plaintiff to the  
45 principal office of the foreign trust company named in the action or proceeding  
46 in the state or territory in which it is located; and

47 (b) An affidavit of compliance with paragraph (a) by the plaintiff is  
48 appended to the summons.

49 4. A court in which an action or proceeding pursuant to this section is  
50 pending may order such continuances as may be necessary to afford the foreign  
51 trust company named in the action or proceeding reasonable opportunity to  
52 defend the action.

1       5. The fee paid pursuant to subsection 3 by a plaintiff to the Commissioner  
2       at the time of the service of process may be recovered as taxable costs by the  
3       plaintiff from the defendant if the plaintiff prevails in the action.

4       6. The Commissioner shall keep a record of each legal process served on  
5       the Commissioner pursuant to this section which contains the date and time of  
6       each such service of process.

7       Sec. 12. 1. If a foreign trust company seeks to establish and maintain a  
8       retail trust company office and engage in the business of a trust company in this  
9       State, the foreign trust company must, in addition to any other requirements of  
10      law, submit to the Commissioner a written request on a form prescribed by the  
11      Commissioner for authorization to establish and maintain a retail trust company  
12      office and engage in the business of a trust company in this State. The written  
13      request must be accompanied by:

14      (a) A nonrefundable fee of \$1,000.

15      (b) Evidence that the foreign trust company is qualified to do business as a  
16      foreign corporation or foreign limited-liability company pursuant to chapter 80  
17      or 86 of NRS, as applicable.

18      (c) The following information about each retail trust company office in this  
19      State:

20          (1) The address of the retail trust company office;

21          (2) The name of all persons who will be employed at the retail trust  
22          company office; and

23          (3) Evidence of compliance with all applicable requirements for state and  
24          local business registrations and licenses.

25      (d) Confirmation that the foreign trust company is authorized to conduct  
26      business as a trust company in its home state.

27      (e) Confirmation by the applicable regulatory authority in the home state of  
28      the foreign trust company that the license or charter of the foreign trust company  
29      is in good standing.

30      (f) Confirmation that the laws of the home state of the foreign trust company  
31      authorize a retail trust company organized under the laws of this State, licensed  
32      pursuant to this chapter and subject to regulation, supervision and examination  
33      by the Commissioner and a federal banking regulator to engage in the activities  
34      in which the foreign trust company proposes to engage in this State on  
35      substantially the same basis as authorized under the laws of this State.

36      (g) Confirmation that the foreign trust company's home state regulator  
37      subscribes to and is a signatory of the Nationwide Cooperative Agreement for  
38      Supervision and Examination of Multi-State Trust Institutions as adopted by the  
39      Conference of State Bank Supervisors.

40      2. The Commissioner, after considering the views of the home state  
41      regulator and the federal banking regulator to the extent available, may deny the  
42      approval of a foreign trust company to establish and maintain a retail trust  
43      company office and engage in the business of a trust company in this State if the  
44      Commissioner finds, after notice and hearing:

45      (a) That the foreign trust company lacks sufficient financial resources to  
46      undertake the proposed activity or expansion without adversely affecting its safety  
47      or soundness; or

48      (b) That such approval would be contrary to the public interest.

49      3. If the Commissioner approves a written request for authorization to  
50      establish and maintain a retail trust company office and engage in the business  
51      of a trust company in this State submitted pursuant to subsection ~~13~~ 1, the  
52      foreign trust company must renew the request annually on a date and form

prescribed by the Commissioner to continue such authorization. The written request for renewal must be accompanied by:

(a) A nonrefundable renewal fee of \$500; and

(b) Confirmation that the information previously provided pursuant to paragraphs (b) to (g), inclusive, of subsection 1 remains accurate. If any such information has been changed, the foreign trust company shall provide updated information.

4. If the Commissioner approves a written request for authorization to establish and maintain a retail trust company office and engage in the business of a trust company submitted pursuant to subsection 1, the foreign trust company may:

(a) Establish and maintain a retail trust company office in this State; and

(b) Engage in the business of a trust company in this State, including, without limitation:

(1) Acting as a fiduciary in this State;

(2) Accepting fiduciary appointments, executing documents that create a fiduciary relationship and making decisions regarding the investment or distribution of fiduciary assets; and

(3) Advertising and soliciting trust company business in this State and contacting existing or prospective customers.

5. The Commissioner may:

(a) Rely on the applicable regulatory authority of the home state and the applicable federal banking regulator to examine and investigate activity conducted by the foreign trust company;

(b) Investigate any retail trust company office established and maintained in this State by a foreign trust company as the Commissioner may deem necessary to determine if the retail trust company office is being operated in compliance with the applicable laws of this State and in accordance with safe and sound business practices; and

(c) Require periodic reports regarding the operations of any foreign trust company that has established and maintains a retail trust company office in this State.

6. All money received by the Commissioner:

(a) From the payment of fees pursuant to paragraph (a) of subsection 1 must be placed in the Investigative Account for Financial Institutions created by NRS 232.545; and

(b) From the payment of renewal fees pursuant to paragraph (a) of subsection 3 must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

7. As used in this section, "retail trust company office" means a place of business in this State from which a foreign trust company may engage in the business of a trust company.

Sec. 13. NRS 669.090 is hereby amended to read as follows:

669.090 ~~HH~~ Except as otherwise provided in sections 3 to 12, inclusive, of this act, it is unlawful for any retail trust company to engage in the business of a trust company without complying with the provisions of this chapter and having a license issued by the Commissioner.

Sec. 14. NRS 669.095 is hereby amended to read as follows:

669.095 1. Except as otherwise provided in subsection 2, no person or organization formed and doing business under the laws of this State or any other state may:

(a) Use the word "trust" or any direct derivative of that word as a part of its name.

(b) Advertise or use any sign with the word “trust” used as a part of its name.  
2. The provisions of subsection 1 do not apply to a person or organization which:

(a) Is supervised by the Commissioner of Financial Institutions pursuant to this chapter or chapters 657 to 668, inclusive, 673 or 677 of NRS;

(b) Is doing business under the laws of the United States or another state relating to banks, savings banks, savings and loan associations or thrift companies;

(c) *Is authorized to engage in the solicitation of trust company business in this State pursuant to section 8 of this act;*

(d) *Is authorized to act as a fiduciary or solicit trust company business pursuant to section 10 of this act or establish and maintain a retail trust company office and engage in the business of a trust company in this State pursuant to section 12 of this act;*

(e) Is acting under an appointment pursuant to NRS 662.245;

~~(e)~~ (f) Is supervised by the Commissioner of Insurance; or

~~(e)~~ (g) Is doing business solely as a community land trust.

3. As used in this section, “community land trust” has the meaning ascribed to it in NRS 82.106.

**Sec. 15.** NRS 669.150 is hereby amended to read as follows:

669.150 1. An applicant must file an application for a license to transact trust company business with the Commissioner on forms prescribed by the Commissioner, which must contain or be accompanied by such information as the Commissioner requires.

2. A nonrefundable fee of not more than \$2,000 must accompany the application. The applicant must also pay such reasonable additional expenses incurred in the process of investigation as the Commissioner deems necessary. In addition, a fee of not less than \$200 or more than \$500, prorated on the basis of the licensing year as provided by the Commissioner, must be paid at the time of making the application.

3. Except as otherwise provided in NRS 669.092, a trust company may maintain offices in this and other states. For every branch location of a trust company organized under the laws of this State, and every branch location in this State of a ~~foreign~~ trust company *organized under the laws of another state and* authorized to do business in this State, a request for approval and *, if applicable,* licensing must be filed with the Commissioner on such forms as the Commissioner prescribes. A nonrefundable fee of not more than \$500 must accompany each request. In addition, a fee of not more than \$200, prorated on the basis of the licensing year as provided by the Commissioner, must be paid at the time of making the request.

4. The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section. All money received by the Commissioner pursuant to this section must be placed in the Investigative Account for Financial Institutions created by NRS 232.545.

5. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 12 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

1       **Sec. 16.** NRS 166.015 is hereby amended to read as follows:

2       166.015 1. Unless the writing declares to the contrary, expressly, this  
3 chapter governs the construction, operation and enforcement, in this State, of all  
4 spendthrift trusts created in or outside this State if:

5       (a) All or part of the land, rents, issues or profits affected are in this State;

6       (b) All or part of the personal property, interest of money, dividends upon  
7 stock and other produce thereof, affected, are in this State;

8       (c) The declared domicile of the creator of a spendthrift trust affecting personal  
9 property is in this State; or

10       (d) At least one trustee qualified under subsection 2 has powers that include  
11 maintaining records and preparing income tax returns for the trust, and all or part of  
12 the administration of the trust is performed in this State.

13       2. If the settlor is a beneficiary of the trust, at least one trustee of a spendthrift  
14 trust must be:

15       (a) A natural person who resides and has his or her domicile in this State;

16       (b) A trust company that:

17           (1) Is organized under federal law or under the laws of this State or another  
18 state; and

19           (2) Maintains an office in this State for the transaction of business ~~and at~~  
20 ~~which all or part of the administration of the trust is performed;~~ or

21       (c) A bank that:

22           (1) Is organized under federal law or under the laws of this State or another  
23 state;

24           (2) Maintains an office in this State for the transaction of business; and

25           (3) Possesses and exercises trust powers.

26       3. As used in this section, "trust company" does not include a foreign  
27 independent trust company authorized to engage only in the solicitation of trust  
28 company business in this State pursuant to section 8 of this act.

29       **Sec. 17.** This act becomes effective upon passage and approval.